



# Notes from the Director

No. 9

5 August 1977

In previous notes I promised to keep you informed of progress on PRM-11—Reorganization of the Intelligence Community. The President has completed his review of the PRM-11 studies and yesterday announced his decision.

Significant new elements in the organization of the Intelligence Community are:

- There will be a Policy Review Committee chaired by the DCI to include the Secretaries of Defense, State, Treasury and the Assistant to the President for National Security Affairs, which will determine intelligence requirements and evaluate the analytical product.

- The DCI will have full responsibility for approval of the National Foreign Intelligence Program budget to the President, its presentation to Congress, and reprogramming.

- The DCI will have full responsibility and authority for tasking all National Intelligence Collection Systems. A National Intelligence Tasking Center will be established to assist him in implementing this responsibility.

The President's decision means that the responsibility for the day-to-day management of existing intelligence organizations, including CIA, remains unchanged.

At two sessions in the Agency auditorium at the beginning of next week, I expect to meet with 1,000 employees to elaborate on the significance of these decisions and to answer questions. These meetings are scheduled for 3:30 p.m., Monday, 8 August and at 10:00 a.m., Tuesday, 9 August. The Monday session will include all senior management personnel. The Tuesday session will include a cross section from all the Directorates and Independent Offices.

Attached for your reading is a copy of the Press Release issued by the White House.

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Director

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Office of the White House Press Secretary

THE WHITE HOUSE

Following consultations with the Vice President, his principal national security advisors, and Congressional leaders, the President has completed his review of the NSC studies on the organization and functions of the Intelligence Community.

The President's decisions provide for needed changes while retaining the basic structural continuity of the intelligence community.

The purpose of these changes is to provide for strong direction by the President and the National Security Council, and to centralize the most critical national intelligence management functions under the Director of Central Intelligence (DCI) -- tasking, resources, and national analytic production. Left unchanged are operational and support activities as they are performed adequately today.

This organizational arrangement builds on the experience of the past by strengthening the role of the NSC system and the DCI. At the same time, it assures responsiveness to both the intelligence requirements of major national-level consumers of intelligence and the operational needs of the departments and military services.

-- For the first time, the major consumers of intelligence will be charged with the formal responsibility for formulating their requirements for substantive intelligence. Thus, the real requirements of the policy making level rather than technology or ability to collect will drive the entire intelligence process.

-- The DCI will also have the ability to respond to these requirements through his full control of:

1. A new mechanism for setting specific tasks for all intelligence collection organizations, the National Intelligence Tasking Center.
2. His mandate to manage the budgets for all predominately national intelligence activities.
3. His sole responsibility for the production of national analytical products.

Placing full responsibility for the most critical management functions in one authority should result in more productive and cost effective foreign intelligence activities.

-- The National Security Council will continue to play the leading role in overall direction of the Intelligence Community. The NSC Special Coordination Committee will continue to assume responsibility for review of the most sensitive intelligence operations and collection activities. The new Policy Review Committee when chaired by the DCI will provide the direction to both the collection and analytical production effort that was missing in the past.

-- The recently strengthened Intelligence Oversight Board will continue to assist the President in investigating possible illegal or otherwise improper activities within the Intelligence Community and assuring that appropriate corrective actions are taken.

END

Here are the specifics of the reorganization:

1. The National Security Council should continue to provide guidance and direction for the development and formulation of all national intelligence activities. The NSC Policy Review Committee, chaired by the Director of Central Intelligence, will define and assign priority for substantive intelligence requirements and will evaluate the production of analytical intelligence reporting. The PRC will submit semi-annual reports to the NSC on its activities. Its membership will include the Secretary of State, Secretary of Defense, Secretary of the Treasury, the Assistant to the President for National Security Affairs and other attendees as deemed appropriate by the Chairman.
2. The Director of Central Intelligence will have peacetime responsibility and authority for translating PRC-validated national intelligence requirements developed by the PRC into specific intelligence collection objectives and targets and for assigning these to intelligence collection organizations. For these purposes a National Intelligence Tasking Center, jointly manned by civilian and military personnel, will be established under the direction of the DCI to assign tasks to all national intelligence collection systems. The Tasking Center will also be responsible for ensuring that the resulting flow of intelligence is routed immediately to relevant components and commands. In periods of crisis or in wartime the power to assign collection tasks may be delegated to the Secretary of Defense upon the express direction of the President.
3. The Director of Central Intelligence should have full and exclusive authority for approval of the National Foreign Intelligence Program (NFIP) budget prior to its presentation (through usual procedures) to the President, for its presentation to Congress, for reprogramming of NFIP funds and monitoring the implementation of programs. In response to the DCI's guidance, the departments and agencies of the NFIP will submit their proposed national program budgets to the DCI and assure that the DCI has all information necessary to perform his budgetary responsibilities. The National Foreign Intelligence Board will advise the DCI on all of his budgetary responsibilities in the same manner as it does on national intelligence production and other activities of common concern. Department heads will retain the right to appeal the DCI's budget decisions to the President. The Director of Central Intelligence will be provided with adequate staff support to ensure his full access to relevant information and the capability to carry out audits and evaluations of intelligence programs.
4. The Director of Central Intelligence will continue to act as the primary advisor to the National Security Council and the President on substantive foreign intelligence and to have full responsibility for production of national intelligence in appropriate consultation with departmental analytical centers. He will retain all other powers provided to him under relevant statutes and executive orders.
5. Apart from the foregoing, line authority will remain with the heads of the relevant departments and agencies. All other organizational and operational arrangements and responsibilities assigned under existing statutes and executive orders shall remain in full effect. Personnel and administration, management and support activities, operational implementation of DCI tasking, and audit/inspector general functions will remain as presently assigned under departmental arrangements.

These decisions will be embodied in a new Executive Order for the Intelligence Community as an interim measure until appropriate charter legislation can be introduced and enacted by Congress.

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